

LAWYERS



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October 30, 2008

### VIA ELECTRONIC FILING

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: WC Docket No. 02-60, Quarterly Report & Attachment A

Dear Ms. Dortch:

On behalf of Iowa Health System, Inc., we are filing herewith its Pilot Program Quarterly Report and Attachment A in the above-referenced docket.

Please address any correspondence concerning this matter to the undersigned counsel.

Respectfully submitted,

DAVIS WRIGHT TREMAINE LLP



Randall B. Lowe  
Counsel for Iowa Health System, Inc.

Enclosures

cc: Antoinette Stevens (by email)

**Pilot Program Quarterly Report of Iowa Health System  
WC Docket No. 02-60**

**1. Project Contact and Coordination Information**

**a. Identify the project leader(s) and respective business affiliations.**

Bill Leaver, President and CEO  
Iowa Health System

**b. Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible administrative official.**

Bill Leaver  
President and CEO  
Iowa Health System  
1200 Pleasant Street  
Des Moines, IA 50309  
Telephone: 515-241-6347  
Fax: 515-241-5712  
E-mail: [LeaverWB@ihs.org](mailto:LeaverWB@ihs.org)

**c. Identify the organization that is legally and financially responsible for the conduct of activities supported by the award.**

Iowa Health System  
1200 Pleasant Street  
Des Moines, IA 50309

**d. Explain how project is being coordinated throughout the state or region.**

The project is being coordinated by Iowa Health System ("IHS") leadership in consultation with Fiberutilities Group LLC. After identifying potential participants and attending RHCPP training, IHS met with potential participants in the region and received letters of agency from 29 participants.

A meeting of initial participants was held in Des Moines, Iowa on June 5, 2008 to discuss the network as well as a proposed governance structure that emphasizes participant input into network operations. A second meeting of this group was held September 3, 2008 in Des Moines. This group will play a central role in the governance and operation of the access network so that the network best meets participants' needs.

IHS continues to identify and meet other potential participants whom IHS anticipates will join the network in future deployment phases.

**2. Identify all health care facilities included in the network.**

**a. Provide address (including county), zip code, Rural Urban Commuting Area (RUCA) code (including primary and secondary), six-digit census tract, and phone number for each health care facility participating in the network.**

- b. For each participating institution, indicate whether it is:**
- i. Public or non-public;**
  - ii. Not-for-profit or for-profit;**
  - iii. An eligible health care provider or ineligible health care provider with an explanation of why the health care facility is eligible under section 254 of the 1996 Act and the Commission's rules or a description of the type of ineligible health care provider entity.**

See Attachment A for a list of eligible users who have signed a letter of agency and will be the initial users that will be connected to the access network. IHS anticipates that additional users will participate in future phases of the project.

**Note:** The eligible health care providers are eligible because they are nonprofit hospitals under 47 U.S.C. Section 254(h)(7).

- 3. Network Narrative: In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results of its network design studies and negotiations with its vendors. This technical description should provide, where applicable:**

- a. Brief description of the backbone network of the dedicated health care network, e.g., MPLS network, carrier-provided VPN, a SONET ring;**
- b. Explanation of how health care provider sites will connect to (or access) the network, including the access technologies/services and transmission speeds;**
- c. Explanation of how and where the network will connect to a national backbone such as NLR or Internet 2;**
- d. Number of miles of fiber construction, and whether the fiber is buried or aerial;**
- e. Special systems or services for network management or maintenance (if applicable) and where such systems reside or are based.**

An RFP for access connections to the core network was issued on October 6, 2008 with a bid closure date of November 17, 2008. Accordingly, there is no network narrative to report at this time because the competitive bidding process has not yet been completed and vendors have not yet been selected.

**4. List of Connected Health Care Providers: Provide information below for all eligible and non-eligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.**

- a. Health care provider site;
- b. Eligible provider (Yes/No);
- c. Type of network connection (e.g., fiber, copper, wireless);
- d. How connection is provided (e.g., carrier-provided service; self-constructed; leased facility);
- e. Service and/or speed of connection (e.g., DS1, DS3, DSL, OC3, Metro Ethernet (10 Mbps);
- f. Gateway to NLR, Internet2, or the Public Internet (Yes/No);
- g. Site Equipment (e.g., router, switch, SONET ADM, WDM) including manufacturer name and model number.
- h. Provide a logical diagram or map of the network.

An RFP for access connections to the core network was posted to the USAC website on October 6, 2008 with a bid closure date of November 17, 2008. Accordingly, there were no eligible or non-eligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.

**5. Identify the following non-recurring and recurring costs,<sup>421</sup> where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year-to-date.**

- a. Network Design
- b. Network Equipment, including engineering and installation
- c. Infrastructure Deployment/Outside Plant
  - i. Engineering
  - ii. Construction
- d. Internet2, NLR, or Public Internet Connection
- e. Leased Facilities or Tariffed Services
- f. Network Management, Maintenance, and Operation Costs (not captured elsewhere)
- g. Other Non-Recurring and Recurring Costs

An RFP for access connections to the core network was posted to the USAC website on October 6, 2008 with a bid closure date of November 17, 2008. Accordingly, of yet, there are no budgeted or actually incurred non-recurring and/or recurring costs because the competitive bidding process has not yet concluded and no vendors have been selected.

**6. Describe how costs have been apportioned and the sources of the funds to pay them:**

- a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.
- b. Describe the source of funds from:
  - i. Eligible Pilot Program network participants
  - ii. Ineligible Pilot Program network participants

<sup>421</sup> Non-recurring costs are flat charges incurred only once when acquiring a particular service or facility. Recurring costs are costs that recur, typically on a monthly basis, because they vary with respect to usage or length of service contract.

- c. **Show contributions for all other sources (e.g., local, state, and federal sources, and other grants).**
  - i. **Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by Pilot Program participants.**
  - ii. **Identify the respective amounts and remaining time for such assistance.**
- d. **Explain how the selected participant's minimum 15 percent contribution is helping to achieve both the selected participant's identified goals and objectives and the overarching goals of the Pilot Program.**

An RFP for access connections to the core network was posted to the USAC website on October 6, 2008 with a bid closure date of November 17, 2008. Accordingly, costs have not yet been apportioned because no applicable costs have as of yet been incurred.

**7. Identify any technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network.**

Ineligible entities may connect to the core provided they:

- a) are a health care related entity
- b) are members of the user group (HealthNet connect) established to administer access to the core network and they pay access connection costs
- c) meet the Quality of Service (QoS) and security (provider edge router) criteria specified in the RFP

**8. Provide an update on the project management plan, detailing:**

- a. **The project's current leadership and management structure and any changes to the management structure since the last data report; and**

IHS will provide project leadership using its existing management structure, embodied in its executive management team and its IT Department containing more than 200 experienced information technology professionals. The IHS IT Department currently manages the largest private medical network in the state. IHS is the largest integrated nonprofit regional health care system in Iowa, serving a geographically dispersed rural population in the upper Midwest. IHS operates facilities in seven large communities in Iowa and Illinois supporting a system of rural hospitals in 14 Iowa communities and partnering with 450 physicians and 125 clinics in more than 80 communities in Iowa, Illinois, Nebraska and South Dakota.

IHS anticipates the continued utilization of this experience for the leadership, management and execution of this initiative.

The following is the project's current leadership and management structure:

Project Coordinator - Bill Leaver; Iowa Health System

Assistant Project

Coordinator - Stacie Caryl; Iowa Health System

Consultant-	Dave Lunemann; Fiberutilities Group LLC
	Pat Cram; Fiberutilities Group LLC
Legal Counsel -	Denny Drake; Iowa Health System
	Joe Clamon; Iowa Health System
	Randy Lowe; Davis Wright Tremaine LLP

**b. In the first quarterly report, the selected applicant should provide a detailed project plan and schedule. The schedule must provide a list of key project deliverables or tasks, and their anticipated completion dates. Among the deliverables, participants must indicate the dates when each health care provider site is expected to be connected to the network and operational. Subsequent quarterly reports should identify which project deliverables, scheduled for the previous quarter, were met, and which were not met. In the event a project deliverable is not achieved, or the work and deliverables deviate from the work plan, the selected participant must provide an explanation.**

**HealthNet connect (HNC) Estimated Project Plan Estimated Timelines / Milestones**

**(Updated from first quarterly report to reflect the actual posting of the RFP on October 6, 2008)**

a. 465 / attachments with RFP Bid Package draft complete	5/21/08 Complete
b. Completed bid package sent to USAC for comments / review	5/21/08 Complete
c. Initial healthcare provider ("HCP") orientation meeting in Des Moines	6/5/08 Complete
d. Preliminary USAC comments returned	7/10/08 Complete
e. USAC / FCC quarterly report due	7/30/08 Complete
f. Second HCP orientation / governance meeting in Des Moines	9/3/08 Complete
g. IHS project team review and revision complete	9/30/08 Complete
h. Final 465/465 attachments/RFP uploaded for USAC administrative review	10/2/08 Complete
i. Final 465/465 attachments/RFP posted to USAC website	10/6/08 Complete
i. 28 day bid clock starts	
ii. overall project clock starts	
j. First vendor clarification call	10/10/08 Complete
k. Second vendor clarification call	10/24/08 Complete

l. Second quarterly report submitted to USAC	10/30/08 Complete
m. Third vendor clarification call	11/12/08
n. Bid closure / all initial HCP group bids received by HNC review team	11/17/08
o. Bids analyzed and successful bidders determined	12/8/08
p. 466A / network worksheets submitted to USAC	12/15/08
q. FCL's issued by USAC to IHS for winning bid	1/9/09
i. Winning bidders notified	
ii. Non winning bidders notified	
r. Contracts signed with vendors	1/19/09
s. Access connection installations begin	1/19/09
t. Access connections completed	2/14/09 – 5/15/09
u. HNC user applications launch	1/30/09
v. HNC secondary marketing and sales efforts	1/1/09 – 12/31-09
w. FCC / USAC award funding years 1 & 2	6/30/09

**9. Provide detail on whether network is or will become self sustaining. Selected participants should provide an explanation of how network is self sustaining.**

IHS currently intends for the project's access connection network to become self sustaining. IHS is therefore not seeking funding from the RHCPP for ongoing operational expenses. IHS anticipates that it will cover any shortfall in operating costs until the network becomes self-sustaining. IHS also anticipates, however, that a significant percentage of available capacity will be utilized within the first five to ten years of operation and that, as a result, the network will eventually generate sufficient funds to be self-sustaining.

**10. Provide detail on how the supported network has advanced telemedicine benefits:**

- a. Explain how the supported network has achieved the goals and objectives outlined in selected participant's Pilot Program application;
- b. Explain how the supported network has brought the benefits of innovative telehealth and, in particular, telemedicine services to those areas of the country where the need for those benefits is most acute;
- c. Explain how the supported network has allowed patients access to critically needed medical specialists in a variety of practices without leaving their homes or communities;

- d. Explain how the supported network has allowed health care providers access to government research institutions, and/or academic, public, and private health care institutions that are repositories of medical expertise and information;**
- e. Explain how the supported network has allowed health care professional to monitor critically ill patients at multiple locations around the clock, provide access to advanced application in continuing education and research, and/or enhanced the health care community's ability to provide a rapid and coordinated response in the event of a national crisis.**



An RFP for access connections to the core network was posted to the USAC website on October 6, 2008 with a bid closure date of November 17, 2008. Accordingly, the access network has not yet been built so there are no advanced telemedicine benefits to report at this time.

**11. Provide detail on how the supported network has complied with HHS health IT initiatives:**

- a. Explain how the supported network has used health IT systems and products that meet interoperability standards recognized by the HHS Secretary;
- b. Explain how the supported network has used health IT products certified by the Certification Commission for Healthcare Information Technology.
- c. Explain how the supported network has supported the Nationwide Health Information Network (NHIN) architecture by coordinating activities with organizations performing NHIN trial implementations;
- d. Explain how the supported network has used resources available at HHS's Agency for Information Technology;
- e. Explain how the selected participant has educated themselves concerning the Pandemic and All Hazards Preparedness Act and coordinated with the HHS Assistant Secretary for Public Response as a resource for telehealth inventory and for the implementation of other preparedness and response initiatives; and
- f. Explain how the supported network has used resources available through HHS's Centers for Disease Control and Prevention (CDC) Public Health Information Network (PHIN) to facilitate interoperability with public health and emergency organizations.

An RFP for access connections to the core network was posted to the USAC website on October 6, 2008 with a bid closure date of November 17, 2008. The network has not yet been built so there is no such compliance to report at this time.

**12. Explain how the selected participants coordinated in the use of their health care networks with the Department of Health and Human Services (HHS) and, in particular, with its Centers for Disease Control and Prevention (CDC) in instances of national, regional, or local public health emergencies (e.g., pandemics, bioterrorism). In such instances, where feasible, explain how selected participants provided access to their supported networks to HHS, including CDC, and other public health officials.**

An RFP for access connections to the core network was posted to the USAC website on October 6, 2008 with a bid closure date of November 17, 2008. Accordingly, the network has not yet been built so there is no incidence of coordinated use or access to report at this time.

## HealthNet connect Initial Users

HCP	ADDRESS	CITY	STATE	ZIP	COUNTY	RUCA	CENSUS TRACT	PHONE #	PUBLIC OR NON-PUBLIC	FOR-PROFIT OR Nonprofit	ELIGIBLE (Y/N)	REASON FOR ELIGIBILITY
Allen Hospital	1825 Logan Ave	Waterloo	IA	50703	Black Hawk	1	0017.02	319-235-3987	Non-Public	Nonprofit	Y	Nonprofit Hospital
Blank Children's Hospital	1200 Pleasant St	Des Moines	IA	50309	Polk	1	0051.00	515-241-6602	Non-Public	Nonprofit	Y	Nonprofit Hospital
Iowa Methodist Medical Center	1200 Pleasant St	Des Moines	IA	50309	Polk	1	0051.00	515-241-6212	Non-Public	Nonprofit	Y	Nonprofit Hospital
Broadlawns Medical Center	1801 Hickman Rd	Des Moines	IA	50314	Polk	1	0012.00	515-282-2410	Public	Nonprofit	Y	Nonprofit Hospital
Buena Vista Regional Medical Center	1525 W 5th Street	Storm Lake	IA	50588	Buena Vista	7	9605.00	712-213-8600	Public	Nonprofit	Y	Nonprofit Hospital
Cass County Memorial Hospital	1501 E 10th St	Atlantic	IA	50022	Cass	7	9904.00	712-243-3250	Public	Nonprofit	Y	Nonprofit Hospital
Clarke County Hospital	800 S Fillmore St	Osceola	IA	50213	Clarke	7.3	9901.00	641-342-5342	Public	Nonprofit	Y	Nonprofit Hospital
Community Memorial Hospital	909 West First St	Sumner	IA	50674	Bremer	10	0047.00	563-578-3275	Non-Public	Nonprofit	Y	Nonprofit Hospital
Greater Regional Medical Center	1700 W Townline	Creston	IA	50801	Union	7	9904.00	641-782-3503	Public	Nonprofit	Y	Nonprofit Hospital
Greene County Medical Center	1000 W Lincolnway	Jefferson	IA	50129	Greene	7	9803.00	515-386-2114	Public	Nonprofit	Y	Nonprofit Hospital
Grinnell Regional Medical Center	210 4th Ave	Grinnell	IA	50112	Poweshiek	7	9704.00	641-236-2300	Non-Public	Nonprofit	Y	Nonprofit Hospital
Grundy County Memorial Hospital	201 East J Ave	Grundy Center	IA	50638	Grundy	10	9903.00	319-824-5421	Public	Nonprofit	Y	Nonprofit Hospital
Guthrie County Hospital	710 N 12th St	Guthrie Center	IA	50115	Guthrie	10.4	9503.00	641-332-3821	Public	Nonprofit	Y	Nonprofit Hospital
Guttenberg Municipal Hospital	200 Main St	Guttenberg	IA	52052	Clayton	10.4	9704.00	563-252-5529	Public	Nonprofit	Y	Nonprofit Hospital
Humboldt County Memorial Hospital	1000 N 15th St	Humboldt	IA	50548	Humboldt	7.4	9704.00	515-332-4200	Public	Nonprofit	Y	Nonprofit Hospital
Iowa Lutheran Hospital	700 E University Ave	Des Moines	IA	50316	Polk	1	0048.00	515-241-6212	Non-Public	Nonprofit	Y	Nonprofit Hospital
Jackson County Regional Health Center	700 W Grove St	Maquoketa	IA	52060	Jackson	7	9505.00	563-652-4022	Public	Nonprofit	Y	Nonprofit Hospital
Loring Hospital	211 Highland Ave	Sac City	IA	50583	Sac	10	9804.00	712-662-3823	Non-Public	Nonprofit	Y	Nonprofit Hospital
Mary Greeley Medical Center	1111 Duff Ave	Ames	IA	50010	Story	4	0009.00	515-239-2105	Public	Nonprofit	Y	Nonprofit Hospital
Mercer County Hospital	409 NW Ninth Avenue	Aledo	IL	61231	Mercer	7.4	0403.00	309-582-5301	Public	Nonprofit	Y	Nonprofit Hospital
Myrtue Memorial Hospital	1213 Garfield Ave	Harlan	IA	51537	Shelby	7	9603.00	712-755-4315	Public	Nonprofit	Y	Nonprofit Hospital
Pocahontas Community Hospital	606 NW 7th St	Pocahontas	IA	50574	Pocahontas	10	9802.00	712-335-5224	Public	Nonprofit	Y	Nonprofit Hospital
St. Luke's Hospital	1026 A Ave NE	Cedar Rapids	IA	52402	Linn	1	0019.00	319-369-7203	Non-Public	Nonprofit	Y	Nonprofit Hospital
St. Luke's Regional Medical Center	2720 Stone Park Blvd	Sioux City	IA	51104	Woodbury	1	0010.00	712-279-3207	Non-Public	Nonprofit	Y	Nonprofit Hospital
The Finley Hospital	350 N Grandview Ave	Dubuque	IA	52001	Dubuque	1	0007.02	563-589-2414	Non-Public	Nonprofit	Y	Nonprofit Hospital
Trinity Medical Center - Terrace Park	4500 Utica Ridge Rd	Bettendorf	IA	52722	Scott	1	0137.03	563-742-5000	Non-Public	Nonprofit	Y	Nonprofit Hospital
Trinity Medical Center - 7th St Campus	500 John Deere Rd	Moline	IL	61265	Rock Island	1	0219.00	309-779-2914	Non-Public	Not-for-profit	Y	Nonprofit Hospital
Trinity Medical Center - West	2701 17th St	Rock Island	IL	61201	Rock Island	1	0232.00	309-779-2204	Non-Public	Not-for-profit	Y	Nonprofit Hospital
Trinity Regional Medical Center	802 Kenyon Rd	Fort Dodge	IA	50501	Webster	4	0009.00	515-574-6600	Non-Public	Nonprofit	Y	Nonprofit Hospital